

BUSINESS REVIEW YEAR 2008 RESULTS

Schiphol, March 10, 2009 – Rodamco Europe N.V. reports like for like growth of 6.3% in net rental income and a strong direct result excluding one offs of 8.7% higher than in 2007. As the €1,262.9 million positive revaluation result in 2007 turned into a €666,9 million loss in 2008, net shareholders' profit decreased by 112.9% from a net profit of €1,493.6 million in 2007 to a net loss in 2008 of €192.5 million. Triple NAV per share decreased by 5.6% to €87.32 compared to €92.48 at December 31, 2007. Property assets decreased by 6.6% in comparison to 2007. As of May 13, 2008 Rodamco Europe N.V. is de-listed from all stock exchanges.

Key figures Year 2008 (amounts in € Mn) unaudited:

	31.12.2008	31.12.2007	Change
Property assets	€11,326	€12,126	- 6.6%
Property assets in retail sector (%)	94.1%	94.6%	- 0.5% ¹⁾
Net initial yield investment property (%)	5.6%	5.0% ³⁾	+ 60 bp
Committed pipeline	€1,017	€1,799	- 43.5%
Uncommitted pipeline	€1,522	€562	170.8%
Total pipeline	€2,539	€2,361	7.5%
Triple NAV (NNNAV)	€7,827	€8,290	- 5.6%
Triple NAV (NNNAV) per share (in €)	€87.32	€92.48	- 5.6%
	Year 2008	Year 2007	Change
Direct result after tax	€403.4	€329.3 ²⁾	22.5%
Direct result after tax excl. one-offs	€414.4	€381.1	8.7%
Indirect result after tax	(€595.9)	€1,164.3 ²⁾	-151.2%
Net shareholders' (loss)/profit	(€192.5)	€1,493.6	-112.9%
Direct result after tax per share (in €)	€4.50	€3.67	22.5%
Direct result after tax excl. one-off costs per share (in €)	€4.62	€4.25	8.7%
Indirect result after tax per share (in €)	(€6.65)	€12.99	-151.2%
Net shareholders' (loss)/profit per share (in €)	(€2.15)	€16.66	-112.9%
Net rental income	€639.0	€602.3	6.1%
Net rental income like for like growth (%)	6.3%	5.8%	
Overall occupancy rate (%)	97.3%	98.6%	-1.3%
Retail occupancy rate (%)	97.9%	99.0%	-1.1%
Valuation result investment property	(€666.9)	€1,262.9	-152.8%

1) This change is mainly due to a more accurate Retail/Offices split from a standardization of methods throughout the Group

2) Due to changes in accounting principle €8 million was reclassified from Indirect result to Direct result in the 2007 figures.

3) NIY calculation was changed from the former Rodamco method to the Unibail-Rodamco method (2007 % adjusted)

RENTAL INCOME

The gross rental income increased 4.6% to €719.6 million (2007: €687.8 million) and net rental income increased 6.1% to €639.0 million (2007: €602.3 million)

The increase in net rental income of €36.7 million comes from:

- Like for like growth (+ €33.4 Million)
- acquisitions during 2007 and 2008: (+ €35.0 Million); main acquisitions in 2008 are Shopping City Süd for €619 million and two shopping centers in Spain (La Maquinista and Habaneras) for €434 million.
- properties coming into operation during 2007 and 2008 (+ €8.4 million);
- divestments in 2007 and 2008 (- €39.9 million); in 2008 mainly IEF in the Netherlands for €744 million;
- foreign currency effects (- €3.9 million)
- other effects (+ €3.7 million).

Like-for-like growth in net rental income amounted to 6.3%, which is significantly higher than the 5.8% like-for-like net rental growth in the year 2007. This increase is caused by autonomous growth of € 33.4 million, mainly due to indexation of €15.9 million, new leases of €10.9 million and higher other income and sales based rent of €6.6 million. Central Europe had the highest like-for-like growth with 7.9%.

ADMINISTRATIVE EXPENSES

The administrative expenses decreased to €69.1 million in 2008 compared to €90.1 million in 2007 (-23.3%). This decrease was mainly due to one off costs in 2007 relating to an onerous contract, lower housing and related office expenses (Rotterdam office was closed) as well as lower ICT expenses in 2008 (finalization of the SAP implementation in 2007).

NET FINANCING RESULT

After capitalization of interest, the net interest expenses have increased from €139.4 million in 2007 to €149.5 million in 2008 (+7.2%). Average cost of debt increased from 4.4% in 2007 to 4.8% in 2008 in addition to the slightly increased average loan portfolio.

	Dec 31, 2008	Dec 31, 2007
Loan to value (total debt/ total capital)	37.5%	33.7%
Net interest coverage EBITDA	3.4	2.9 ¹⁾
FFO/total debt	11.2%	8.9%

1) The 2007 number includes one off merger expenses.

TAXES

The movement in the deferred tax position as a result of valuation results of properties and the realization of deferred tax assets (tax losses carry forward) resulted in €84.6 million of deferred income tax release (i.e. income) compared to deferred tax expenses of €139.1 million in 2007. The deferred tax expenses (income) are calculated using the nominal tax rates or capital gain tax rates for those countries where there is no tax efficient status like in the Netherlands (FBI) and in France (SIIC).

Income tax expenses amounted to €26.2 million, compared to €12.3 million in 2007. This increase is mainly due to an increase in tax provisions (+€15.5 million) offset by other effects (-€1.6 million).

VALUATION RESULT AND RESULT ON DISPOSALS

The appraisers valuing Rodamco Europe's shopping centers and office assets are appointed from a short list based on a number of solid qualifications, e.g. reputation, credibility, compliance with RICS (Royal Institute of Chartered Surveyors) and IVSC 'International Valuation Standards Committee' and codes of conduct. This list is used to select appraisers and includes: CB Richard Ellis, Cushman & Wakefield, Healey & Baker, Jones Lang LaSalle and DTZ.

The valuation principles adopted are based on the discounted cash flow and yield methodologies. The independent appraiser determines the fair market value based on the results of these two methods. Furthermore, the resulting valuations are cross-checked against the initial yield and the fair market values established through actual market transactions.

Instability in financial markets has led to a significantly reduced level of representative ("benchmark") transactions. Most transactions that are occurring involve vendors in financial distress and purchasers looking for 'bargains' with increasing pricing volatility as a result. Appraisers have reacted to this situation of increased uncertainty by carefully interpreting the limited evidence available, including abortive transactions, and by putting more emphasis on both discounted cash flow parameters and other outcomes.

The negative valuation result of Rodamco Europe's property assets amounted to €666.9 million in 2008 (based on Net Market Value).

On Gross Market Value level, €704 million comes from the like for like scope broken down by an increase in value of approximately €658 million (+6%) from the rental income growth offset by yield shifts with an estimated impact of €1,362 million, (-12.5%) . The net initial yield on investment property moved up by 60 basis points from 5.0% by the end of 2007 to 5.6% at the end of 2008.

The revaluation result by sector is broken down as follows: retail investment properties €584.3 million (Net Market Value) and offices & other €82.6 million (Net Market Value). Revaluation results on investment properties in all home regions over the period were negative and specified as follows: the Netherlands (minus €109.1 million), France (minus €173.1 million), Spain (minus €231.5 million), Nordic (minus €140.2 million) and Central Europe (minus €13.0 million).

Based on the year end yield of 5.6%, a further change of +25 basis points would result in a downward adjustment of €505 million (or -4.3%) of the total portfolio value (Gross Market Value including transfer taxes and disposal costs).

A positive net valuation result of €68.5 million was realized on completed pipeline projects transferred to investment property mainly Pankrac, Forum Nacka, PP10 Leganes, WC Stadshart Almere and Melis Spaansweg.

Rodamco Europe divested for a total sale price of €1,245 million, which contained mainly the retail portfolio sold to IEF in the Netherlands for €744,0 million, of which €28 million for an asset still awaiting transfer and the remaining Belgian retail portfolio and an asset in Germany for a total net disposal price of €112.5 million. Furthermore, four office buildings in The Netherlands, logistics premises in Spain, one office in France and the office buildings portfolio in Kiev (Ukraine) was sold for a total net disposal price of €417.3 million. The total net profit on disposal amounted to €34.5 million before tax. Rodamco Europe acquired Shopping City Süd for €619 million, two shopping centers in Spain (La Maquinista and Habaneras) for €434 million and Zlote Tarasy offices for € 30.5 million. In December 2008 Rodamco Europe concluded a partial divestment (approx. 49%) to GIC Real Estate of the two abovementioned Spanish shopping centers acquired earlier in the year. Rodamco Europe however continues to operate all these assets.

TRIPLE NET ASSET VALUE

IFRS ignores some business aspects in valuing real estate companies. In line with the Best Practices Policy Recommendations of the European Public Real Estate Association (EPRA) for transparent, uniform and comparable financial information by real estate companies, Rodamco Europe reports the triple net asset value ("Triple NAV" or "NNNAV"). This performance measure does not replace the IFRS disclosure, but provides additional information to help the investors understand the performance of Rodamco Europe even better.

(in € Mn)

	Dec 31,2008	Dec 31, 2007	Change
Net Asset Value (NAV)	7,254	7,736	- 482
Valuation surplus pipeline projects	101	152	- 51
Nominal deferred taxes provisions	687	700	- 13
Discounted deferred taxes provision	- 387	- 388	+ 1
Marked-to-market value of loans and borrowings	172	90	+ 82
Triple NAV (NNNAV)	7,827	8,290	- 463

The Triple NAV decreased by 5.6% to €7,827 million at the end of 2008, or €87.32 per share (end of 2007: €92.48) after final dividend 2007 per share of €3.05. The decrease of the net asset value of €482 million, is due to the net shareholders' loss of €193 million, dividend payment of €273 million and €16 million negative other effects. Other movements in Triple NAV were: a positive movement in the marked-to-market value of loans and borrowings of €82 million, as a result of interest rates moving up, offset by a €51 million lower committed pipeline revaluation potential and a negative net impact of deferred tax provisions of €12 million.

	Dec 31, 2008	Dec 31, 2007	Change
NAV after tax (€ mn)	€7,254	€7,736	-6.2%
Triple NAV (NNNAV) after tax (€ mn)	€7,827	€8,290	-5.6%
NAV after tax per share	€80.92	€86.30	-6.2%
Triple NAV (NNNAV) per share	€87.32	€92.48	-5.6%

DIVIDEND

Rodamco Europe N.V. proposes a 2008 dividend distribution of €3.50 per share, equal to 78% of its direct result over 2008.

The dividend will be paid following the approval of Rodamco Europe's AGM in 2009.

POST BALANCE SHEET EVENTS

Subsequent to balance sheet date the global crisis continued to have its impact on global real estate markets. This may have an adverse impact on the fair values of completed investment properties and investment properties under construction.

FINANCIAL AGENDA

- Publication of the Annual Report on the Rodamco Europe website 29 April 2009
- General Meeting of Shareholders at the Company's headquarters at Schiphol Airport 16 June 2009
11.00 am
- Payment of the 2008 dividend 30 June 2009

Note: the Condensed Consolidated Financial Report on the 2008 results is attached as an appendix to this Business Review on the year 2008 result.

RODAMCO EUROPE

CONDENSED CONSOLIDATED FINANCIAL REPORT

per December 31, 2008

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CONSOLIDATED P&L

	Period ending December 31, 2008	Period ending December 31, 2007	Difference
Gross rental income	719.6	687.8 ¹⁾	4.6%
Service charge income	145.5	110.7	
Revenues	865.1	798.5	
Service charge expenses	(150.9)	(116.1)	
Property operating expenses	(75.2)	(80.1) ¹⁾	6.1%
	(226.1)	(196.2)	-15.3%
Net rental income	639.0	602.3	6.1%
Valuation result investment property	(666.9)	1,262.9 ¹⁾	-152.8%
Valuation result renovation projects	-	-	
Valuation result pipeline projects	(23.4)	31.2	
Valuation result	(690.3)	1,294.1	
Result on disposal of investment property and pipeline	34.6	12.0	
Administrative expenses	(69.1)	(90.1) ¹⁾	23.3%
Impairment of Goodwill	(16.4)	-	
Merger expenses	-	(32.1)	
Other income and expenses	0.6	-	
Operating profit	(101.6)	1,786.2	-105.7%
Net interest expenses	(149.5)	(139.4)	-7.2%
Fair value result derivative financial instruments	(3.4)	2.6	
Foreign exchange and other results	(1.8)	(0.4)	
Financing result	(154.7)	(137.2)	-12.8%
Share of the profit of associates	-	-	
Profit before tax	(256.3)	1,649.0	-115.5%
Deferred income tax income / (expense)	84.6	(139.1)	
Income tax expense	(26.2)	(12.3)	
Net profit for the period	(197.9)	1,497.6	-113.2%
<u>Attributable to:</u>			
Minority interest	5.4	4.0	
Equity holders of the parent (net shareholders' profit for the period) ²⁾	(192.5)	1,493.6	-112.9%
Basic earnings per share (euro)	(2.15)	16.66	
Diluted earnings per share (euro)	(2.15)	16.66	

1) Comparative Gross rental income, Property operating expenses, Valuation result and Administrative expenses adjusted due to changes in accounting principle (mainly bad debt expenses and capitalization letting fees respectively)

2) The net shareholders' profit for the year can be split as follows:

Split net shareholders' profit for the period	Period ending Dec 31, 2008	Period ending Dec 31, 2007	Difference
Direct result	403.4	329.3	22.5%
Indirect result	(595.9)	1,164.3	
Net shareholders' profit for the period	(192.5)	1,493.6	-112.9%

RECONCILIATION DIRECT AND INDIRECT RESULT

The European Public Real Estate Association (EPRA) has issued its Best Practice Policy Recommendation for transparent, uniform and comparable financial information by real estate companies. Rodamco Europe states its shareholders' profit for the year based on IFRS, but additionally splits it into a direct result and an indirect result following EPRA guidelines. This split does not replace the IFRS measures but provides additional information to help investors understand the Group's performance even better.

Direct result after tax approximates the net cash earnings of the group over the period. It comprises net rental income, other income and expenses minus the administrative expenses (also referred to as EBITDAV) minus the net interest expenses, the foreign exchange result, the current part of income tax expense (excluding the part related to indirect result) and a part of the minority interest.

A reconciliation of direct and indirect result to the Group's (loss) / profit is as follows:

(in € millions)	Period ending December 31, 2008	Period ending December 31, 2007	% variance
DIRECT RESULT			
Net rental income	639	602	6.1%
Administrative expenses	(69)	(122)	
Interest income	63	24	
Interest expenses	(215)	(164)	
Income tax expenses	(16)	(10)	
Foreign exchange result	-	-	
Other income and expenses	1	-	
Minority interest	-	(1)	
Total	403	329	22.5%
INDIRECT RESULT			
Valuation result	(690)	1,294	- 153.3%
Result on disposal of investments property & pipeline	34	12	
Goodwill impairment	(16)	-	
Fair value result derivative financial instruments	(3)	3	
Income tax expenses	(10)	(2)	
Deferred income tax expenses	84	(139)	
Minority interest	5	(3)	
Total	(596)	1,165	- 151.2%
TOTAL NET SHAREHOLDERS' PROFIT	(193)	1,494	- 112.9%

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	as per December 31, 2008	as per December 31, 2007	
Assets				
Investment property		10,900	11,693	
Pipeline projects		426	433	
	5	11,326	12,126	
Goodwill		141	37	
Investments in associates		-	-	
Other investments		196	-	
Other property, plant and equipment		10	21	
Deferred tax assets		50	45	
Derivative financial instruments		59	10	
Deferred lease incentives		6	13	
Other assets		14	4	
Total non-current assets		11,802	12,256	
Properties held for sale		215	-	
Income tax receivables		4	1	
Derivative financial instruments		-	2	
Trade and other receivables		484	311	
Cash at Banks		120	101	
Total current assets		823	415	
Total Assets		12,625	12,671	
Shareholders' equity				
Share capital		717	717	
Share premium		2,956	2,956	
Other reserves		(44)	(29)	
Retained earnings		3,625	4,092	
Total shareholders' equity		7,254	7,736	
Minority interest		36	13	
Total equity		7,290	7,749	
Liabilities				
Bonds	7	2,004	1,987	
Interest-bearing loans and borrowings	7	1,884	1,484	
Derivative financial instruments		17	15	
		3,905	3,486	
Employee benefits	8	6	5	
Provisions	9	34	37	
Deferred tax liabilities		737	745	
Income tax payable		-	-	
Deferred lease incentives		9	8	
Other payables		231	-	
Total non-current liabilities		4,922	4,281	
Provisions	9	27	11	
Bank overdrafts		15	2	
Bonds	7	-	106	
Interest-bearing loans and borrowings	7	47	231	
Trade and other payables		324	291	
Total current liabilities		413	641	
Total liabilities		5,335	4,922	
Total Equity and Liabilities		12,625	12,671	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>note</i>	Attributable to equity holders of the parent					Total	Minority interest	Total Equity
	Share capital	Share premium reserve	Other Reserves		Retained earnings			
			Hedging	Currency translation				
Balance at January 1, 2007	717	2,956	0	3	2,811	6,487	11	6,498
Foreign currency translation	-	-	-	(36)	-	(36)	(1)	(37)
Gain/(loss) on net investment hedge	-	-	-	7	-	7	-	7
Net gains on cash flow hedges	-	-	(3)	-	-	(3)	-	(3)
Total income and expense for the year recognized directly in equity	-	-	(3)	(29)	-	(32)	(1)	(33)
Profit for the year	-	-	-	-	1,491	1,491	4	1,495
Total income and expense for the year	-	-	(3)	(29)	1,491	1,459	3	1,462
Issue of share capital	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	(1)	(1)	-	(1)
Dividends to shareholders	-	-	-	-	(210)	(210)	-	(210)
Other movements	-	-	-	-	1	1	(1)	-
Balance at December 31, 2007	717	2,956	(3)	(26)	4,092	7,736	13	7,749
Balance at January 1, 2008	717	2,956	(3)	(26)	4,092	7,736	13	7,749
UR accounting principle adjustment	-	-	-	-	(2)	(2)	-	(2)
Foreign currency translation	-	-	-	(11)	-	(11)	-	(11)
Gain/(loss) on net investment hedge	-	-	-	(3)	-	(3)	-	(3)
Net gains on cash flow hedges	-	-	(1)	-	-	(1)	-	(1)
Total income and expense for the year recognized directly in equity	-	-	(1)	(14)	(2)	(17)	-	(17)
Profit for the year	-	-	-	-	(192)	(192)	(6)	(198)
Total income and expense for the year	-	-	(1)	(14)	(194)	(209)	(6)	(215)
Issue of share capital	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	1	-	1	-	1
Dividends to shareholders	-	-	-	-	(273)	(273)	(1)	(274)
Changes in consolidation scope	-	-	-	(1)	-	(1)	30	29
Balance at December 31, 2008	717	2,956	(4)	(40)	3,625	7,254	36	7,290

The share capital consists of 204,524,430 authorized shares of which 89,639,292 shares are issued and fully paid up at December 31, 2008 similar to 2007. The shares have a par value of € 8 each.

Other reserves are reserves to be maintained following IFRS and comprise, hedging reserves and currency translation reserves. The amounts recognized by these reserves, amount to € (44), (2007: totaling € (29)).

CONSOLIDATED STATEMENT OF CASH FLOWS UNDER THE INDIRECT METHOD

	Period ending December 31, 2008	Period ending December 31, 2007
OPERATING ACTIVITIES		
Net (loss) / profit before tax	(256)	1,647
<u>Adjustments for :</u>		
Valuation result	690	(1,300)
Net result on disposal of investment properties and pipeline	(35)	(12)
Net interest income	(63)	(24)
Net interest expenses	213	164
Movement in trade and other receivables	(281)	(211)
Movement in trade and other payables	272	(24)
Movement in derivative financial instruments	3	(12)
Increase in provisions and employee benefits	1	30
Movement in deferred income tax	-	8
Other adjustments	29	2
	729	(1,379)
Cash generated from operations	473	268
Interest paid	(187)	(163)
Interest received	63	16
Current income taxes paid	(17)	(12)
	(140)	(160)
Cash flow from operating activities	333	108
INVESTING ACTIVITIES		
Divestments in investment property and pipeline	1,472	141
Investments in property and pipeline	(1,117)	(195)
Cost capitalized on investment property and renovation projects	(90)	(185)
Capital expenditure on pipeline projects	(290)	(55)
Other divestments/(investments)	-	1
	-	1
Cash flow from investing activities	(25)	(293)
FINANCING ACTIVITIES		
Proceeds from bonds and interest-bearing loans and other borrowings	1,449	846
Repayment of bonds and interest-bearing loans and other borrowings	(1,476)	(369)
Dividends paid	(273)	(210)
	(300)	267
Cash flow from financing activities	(300)	267
Net increase/(decrease) in cash and banks	8	82
Cash at banks (incl. bank overdrafts) at January 1	99	15
Effect of exchange rate fluctuations on cash held	(2)	2
Cash at banks (incl. bank overdrafts) at December 31	105	99

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT

1 GENERAL INFORMATION

Rodamco Europe N.V. (the 'Company') is a public limited company with statutory seat in Rotterdam and place of business at Schiphol Boulevard 371, Tower H, 1118 BJ in Luchthaven Schiphol (Municipality of Haarlemmermeer), the Netherlands. It is engaged in the holding of group companies that invest in and manage property. The consolidated financial report comprises the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities. The Company was de-listed effective May 13, 2008 from all stock exchanges.

On July 19, 2006, the Company has been granted a renewed license under the Act on the Supervision of Investment Institutions by the Netherlands Authority for Financial Markets ('Autoriteit Financiële Markten' or AFM) and as a consequence has become subject to AFM supervision. Together with a number of other supervision acts, the Act on the Supervision of Investment Institutions has been incorporated into a single Act: the Act on Financial Supervision. The Act on Financial Supervision has come into effect on January 1, 2007 and as a consequence has replaced the existing supervision acts.

On April 10, 2007, the Company and Unibail Holding S.A. ('Unibail'), in a joint communiqué, announced their intention to combine both companies to create the leading pan-European commercial property company. The merger has been implemented through an exchange offer initiated by Unibail consisting of 0.5223 of a Unibail common share for each Rodamco common share. The combination of both companies became effective on June 25, 2007 and Unibail Holding S.A. changed its name per the same date to Unibail-Rodamco S.A. By the end of December 31, 2008 Unibail-Rodamco S.A. holds approximately 98.5% of the issued share capital of Rodamco Europe N.V. Squeeze out proceedings to obtain the remaining 1.5% shares were started by Unibail-Rodamco S.A. in December 2007. The squeeze out price is to be determined by the Enterprise Chamber of the Court of Appeals in Amsterdam ('Ondernemingskamer'). Unibail-Rodamco S.A. has proposed a squeeze out price which is based on the exchange ratio of the original exchange offer, adjusted for dividend payments. In arriving at the proposed squeeze out price, the exchange ratio was applied to the volume-weighted average Unibail-Rodamco share price of the thirty trading days ending on December 12, 2007, resulting in a price of € 81.03 per Rodamco Europe share.

2 BASIS OF PREPARATION

This financial report for the period ending December 31, 2008 contains unaudited condensed financial statements and does not include all of the information required for full annual financial statements. This financial report should be read in conjunction with the consolidated financial group statements as per December 31, 2007. The consolidated financial group statements of 2008 will be published in the second half of April 2009. Furthermore, Rodamco Europe has changed its reporting from quarterly reporting to half year reporting in the year 2008.

3 ACCOUNTING POLICIES

The accounting policies applied by the Group are consistent with those disclosed in the consolidated annual financial statements for the year ended December 31, 2007, except for the treatment of letting fees which are now capitalized (2007 numbers are restated) . In general the impact of this change in accounting principles had no significant impact on the Company's net profit.

New standards and amendments or interpretations to published standards effective on or after January 1, 2008

IFRIC 11, IFRS 2: Group and Treasury Share Transactions. This interpretation applies to the annual financial statements for periods beginning on or after March 1, 2007 and provides additional guidance on applying IFRS 2. The impact of this interpretation is nil for the Group.

IFRIC 12, Service Concession Arrangements. This interpretation applies to the annual financial statements for periods beginning on or after January 1, 2008 and provides guidance on accounting for service concession operators. The impact of this interpretation is nil for the Group.

IFRIC 14, IAS 19: The limit on a defined benefit asset, minimum funding requirements and their interaction. This interpretation, which is effective after January 1, 2008 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The group applies IFRIC 14 as from January 1, 2008 but it does not have any impact on the group's accounts.

IFRIC 15, Agreements for the construction of real estate. This interpretation will be effective as of January 2009. The impact of this interpretation is nil for the Group.

Interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Amendment to IAS 23, Borrowing Costs (revised in March 2007). This amendment applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009.

IFRS 8, Operating Segments. This standard applies to the annual financial statements for periods beginning on or after January 1, 2009 and requires the information to be reported to be based on what management uses internally for evaluating segment performance.

IAS 1 Presentation of Financial Statements (revised in September 2007) - effective for financial years beginning on or after 1 January 2009.

IFRS 3R Business Combinations (revised in January 2008) – effective for financial years beginning on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

Amendments to IAS 27 Consolidated and Separate Financial Statements (issued in January 2008) – effective for financial years beginning on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRS 2 Share-based Payments – Vesting Conditions and Cancellations (amended in January 2008) – effective for financial years beginning on or after 1 January 2009.

Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (amendments issued in February 2008) – effective for financial years beginning on or after 1 January 2009.

IFRIC 12 Service Concession Agreements - effective for financial years beginning on or after 1 January 2008 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRIC 13 Loyalty Programmes - effective for financial years beginning on or after 1 July 2008.

Amendments to IFRS 1 and IAS 27 Cost of an investment in a subsidiary, jointly controlled entity or associate - effective for financial years beginning on or after 1 January 2009.

IFRIC 15 Agreements for the Construction of Real Estate - effective for financial years beginning on or after 1 January 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRIC 16 Hedges of a Net Investment In a Foreign Operation - effective for financial years beginning on or after 1 October 2008 - it has not been endorsed by the EU till the day of approval of these financial statements.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (issued in July 2008) - effective for financial years beginning on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRS 1R First-time Adoption of International Financial Reporting Standards (revised in November 2008) - effective for financial years beginning on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRIC 17 Distributions of Non-cash Assets to Owners - effective for financial years beginning on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

Amendments to IAS 39 and IFRS 7 - Reclassification of Financial Assets: Effective Date and Transition (issued in November 2008) – effective on or after 1 July 2008 - it has not been endorsed by the EU till the day of approval of these financial statements.

IFRIC 18 Transfers of Assets from Customers – effective on or after 1 July 2009 - it has not been endorsed by the EU till the day of approval of these financial statements.

New IFRS improvements have not been applied by the Group yet.

4 SEGMENT INFORMATION

Business Segments Period ending Dec 31	Retail		Offices & Other		Total	
	2008	2007	2008	2007	2008	2007
Gross rental income	647.8	623.8	71.8	64.0	719.6	687.8
Net service charge expenses	(5.0)	(4.8)	(0.4)	(0.6)	(5.4)	(5.4)
Property operating expenses	<u>(66.5)</u>	<u>(81.2)</u>	<u>(8.7)</u>	<u>1.2</u>	<u>(75.2)</u>	<u>(80.1)</u>
Net rental income	576.3	537.8	62.7	64.6	639.0	602.3
Valuation result investment properties (excluding pipeline)	(584.3)	1,229.9	(82.6)	33.0	(666.9)	1,262.9

Geographical Segments Period ending Dec 31	Netherlands/ Belgium		France		Spain		Nordic		Central Europe		Consolidate group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Gross rental income	205.1	242.9	126.5	115.0	123.1	102.0	142.0	133.9	122.9	94.0	719.6	687.8
Net service charge expenses	(2.0)	(1.3)	(1.2)	(0.2)	(1.0)	(1.1)	0.3	(0.1)	(1.5)	(2.7)	(5.4)	(5.4)
Property operating expenses	(17.8)	(24.3)	(9.9)	(11.6)	(9.1)	(6.4)	(33.3)	(31.7)	(5.1)	(6.1)	(75.2)	(80.1)
Net rental income	185.3	217.3	115.4	103.2	113.0	94.5	109.0	102.1	116.3	85.2	639.0	602.3
Valuation result investment properties (excluding pipeline)	(109.1)	198.0	(173.1)	391.5	(231.5)	234.5	(140.2)	264.9	(13.0)	174.0	(666.9)	1,262.9

5 PROPERTY ASSETS

The Group's property assets value developed as follows:

	Period ending December 31, 2008	Period ending December 31, 2007
Balance at January 1	12,126	10,582
Acquisitions	1,084	131
Capital expenditure	90	104
Cost capitalized on pipeline projects	275	55
Assets held for sale	(215)	185
Interest capitalized	15	9
Disposals (carrying value)	(1,223)	(130)
Revaluations	(690)	1,300
Currency translation differences	(140)	(90)
Other	4	(20)
Balance at December 31	<u>11,326</u>	<u>12,126</u>

Rodamco Europe divested for a total sale price of €1,245 million, which contained mainly the retail portfolio sold to IEF in the Netherlands for €744,0 million, of which €28 million for an asset still awaiting transfer and the remaining Belgian retail portfolio and an asset in Germany for a total net disposal price of €112.5 million. Furthermore, four office buildings in The Netherlands, logistics premises in Spain, one office in France and the office buildings portfolio in Kiev (Ukraine) was sold for a total net disposal price of €417.3 million. The total net profit on disposal amounted to €34.5 million before tax. Rodamco Europe acquired Shopping City Süd for €619 million, two shopping centers in Spain (La Maquinista and Habaneras) for €434 million and Zlote Tarasy offices for € 30.5 million. In December 2008 Rodamco Europe concluded a partial divestment (approx. 49%) to GIC Real Estate of the two abovementioned Spanish shopping centers acquired earlier in the year. Rodamco Europe however continues to operate all these assets.

Furthermore, all assets held for sale are recorded on a separate line on the Balance Sheet as per December 31, 2008.

6 EQUITY

See condensed consolidated statement of changes in equity for reconciliation of movements in equity.

7 MOVEMENTS in BONDS, INTEREST-BEARING LOANS AND BORROWINGS

Total debt	Period ending December 31, 2008	Period ending December 31, 2007
Balance at January 1	3,808	3,320
New loans	1,449	846
New bonds	-	-
New Partner accounts	202	-
Redemptions	(1,476)	(369)
Other movements (e.g. currency translation differences and amortization)	(48)	11
Balance at December 31	<u>3,935</u>	<u>3,808</u>

The partners accounts are loans from several partnerships companies.

Total debt comprises:

	Period ending December 31, 2008	Period ending December 31, 2007
Non-current bonds	2,004	1,987
Non-current interest-bearing loans and borrowings	1,884	1,484
Current bonds	-	106
Current interest-bearing loans and borrowings	47	231
Balance at December 31	<u>3,935</u>	<u>3,808</u>

8 EMPLOYEE BENEFITS

SHARE BASED PAYMENTS & UNIBAIL-RODAMCO STOCK-OPTION PLAN

In 2006, the Group introduced a Long Term Incentive Plan for the Management Board and other senior staff and conditionally granted shares to the management board and other senior staff. As this plan was cancelled by the end of 2007 no fair value expenses have been recognized in 2008 anymore. This Performance Share Plan has been replaced by the Unibail-Rodamco Stock-option Plan. The Stock Option Plan authorized in 2007 only comprises stock options subject to performance criteria.

All stock options granted in 2007 and 2008 are subject to this performance condition: the right to exercise options depends on Unibail-Rodamco's overall stock market performance being higher in percentage terms than that of the EPRA benchmark index over the reference period (i.e. the period between the date on which the Management Board decides to grant options, which will be at the end of the fourth year at the earliest, and at the end of plan's term, ie the end of the seventh year at the latest).

PENSION PLAN

The majority of the Group's pension schemes in its home regions are defined contribution plans. The Dutch Group companies have pension plans (final pay and average pay) with both defined benefit as well as defined contribution components.

The movements in the net liability for defined benefit obligations are:

	Period ending December 31, 2008	Period ending December 31, 2007
Employee benefits January 1	5	5
Adjustment to opening balance	(1)	-
Contributions paid	(3)	(2)
Expense recognized in the profit and loss account	5	2
Employee benefits at December 31	6	5

The adjustment to opening balance of € 1 million relates to the change in not applying the corridor method anymore.

The amounts recognized in the income statement were as follows:

	Period ending December 31, 2008	Period ending December 31, 2007
Current service costs	1	2
Interest on obligations	2	1
Expected return on plan assets	(1)	(1)
Amortizations	3	-
Total for the period	5	2

9 PROVISIONS

A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Interest charges arising from the passage of time before settlement are accounted for as interest expense in the profit and loss account.

	Period ending December 31, 2008	Period ending December 31, 2007
Balance at January 1	48	35
Provisions made during the year	19	32
Provisions used during the year	(3)	-
Provisions reversed during the year	(3)	(19)
Balance at December 31	61	48
Current	27	11
non-current	34	37

Provisions consist of provisions for tax claims and other obligations. A number of tax positions are being challenged by the local tax authorities or may be challenged in the future. Some items are being litigated before courts. The total potential tax contingencies may range from nil to a maximum of € 19 million of which € 10 million is provided for in the balance sheet.

The other obligations mainly relate to one-off business development costs as well as an earn-out in respect of (the extension of) the Aupark acquisition. This earn-out is based on the expected net rental income increase between the date of purchase and year end 2008 and the adjustment has subsequently been discounted to December 31, 2008.

10 TAXES

Income tax expense is recognized on management's assessment of the weighted average annual income tax rate expected for the full financial year, pending final tax assessment.

11 CAPITAL COMMITMENTS

The Group has a substantial total pipeline of € 2,539 million (as per December 31, 2007 € 2,361 million) to support its growth in the coming years and actively works on new opportunities in both new projects and (extension of) current shopping centers. The committed pipeline amounts to € 1,017 million (2007: € 1,799 million) and the uncommitted pipeline € 1,522 million (2007: € 562 million). Of the committed pipeline €426 million has already been invested.

12 DIVIDENDS

See 'condensed consolidated statement of changes in equity' for dividends paid.

13 CHANGES IN CONTINGENT LIABILITIES/ ASSETS

Potential consequences of claims and legal procedures towards the Group have been provided where necessary. The assessment of these cases has been made using internal and if necessary external expert opinions. A number of tax positions are being challenged by the local tax authorities or may be challenged in the future. Some items are being litigated before courts.

The total potential tax exposure may range from nil to a maximum of € 19 million of which € 10 million is provided for in the balance sheet. Other contingent liabilities are not expected to give rise to any material loss.

14 RELATED PARTY TRANSACTIONS

Rodamco Europe has a related party relationship with its major shareholder Unibail Rodamco S.A., its subsidiaries, joint ventures, associates, employees and with its key-management personnel. Key-management personnel comprise both members of the management board and senior managers. There were no related party relationships with close members of the family of members of supervisory board and the management board.

The relation between Rodamco Europe N.V. and major shareholder Unibail Rodamco S.A. involves transactions including cost charges that are common practice and at arm's length. These cost charges include cost charges for management, stock option schemes among other cost charges.

The relations between Rodamco Europe N.V. and its subsidiaries, joint ventures and associates involve transactions that are necessary for managing the Group's normal operations. All transactions between the Group and its related parties are done at an arm's length basis.

Transactions with key management personnel comprise:

Share Purchase Plan (SPP)

Both the management board as well as other employees sold the remaining SPP shares during 2008 and held no SPP shares at December 31, 2008.

Performance Share Plan

This Performance Share Plan was cancelled in 2007 and has been replaced by the Unibail-Rodamco Stock-option Plan. See for details on the Unibail-Rodamco Stock-option Plan note 8.

Remuneration of the management board and supervisory board

During 2008, the management board consisted of 2 members. The total base salary remuneration for the management board in the period ending December 31, 2008 amounted to € 0.8 million. In the year 2007 the management board consisted initially of 4 members and later 2 members with a base salary of € 1.2 million

During 2008, the supervisory board consisted of 3 members. The total remuneration for the supervisory board in the period ending December 31, 2008 amounted to € 0.1 million. In the year 2007 the supervisory board consisted initially of 7 members and later 3 members with a remuneration of € 0.2 million

In the period ending December 31, 2008 Rodamco-Europe was charged for its part in the total cost of the Unibail-Rodamco S.A. management and supervisory board costs, amounting to € 7.0 million (2007: € 2.1 million).

15 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new debt or buy-back existing outstanding debt, adjust the amount of dividends paid to shareholders (subject to our fiscal status under the FBI and SIIC regimes in the Netherlands and France respectively), return capital to shareholders, issue new shares or buy-back outstanding shares or sell assets to reduce debt. The Group has disclosed the loan-to-value ratio (LTV) as this is the measure the Group uses to monitor capital. This ratio is calculated as the gross debt expressed as a percentage of total capital. Gross debt is calculated as the total carrying amount of debt (including bank overdrafts, operating leases and post-retirement benefit obligations). Total capital is calculated as the total carrying amount of property assets adjusted for deferred tax liability, as shown in the consolidated balance sheet.

The loan-to-value ratios at December 31, 2008 and December 31, 2007 were as follows:

	Period ending December 31, 2008	Period ending December 31, 2007
Total borrowings	3,935	3,808
Plus: bank overdrafts	15	2
Plus: operating leases	10	12
Plus: post-retirement benefit obligations	6	5
Total net debt	3,966	3,827
Total property assets	11,326	12,126
Less: deferred tax liability	(737)	(745)
Total capital	10,589	11,381
Loan-to-value ratio	37.5%	33.7%

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a loan-to-value ratio of between 40% (comfortable) and 45% (maximum). However, leverage is still well below the 40% level at 37.5% at December 31, 2008. Although the substantial investments (over € 1 billion) approximately matched the divestments in 2008, the impact of the revaluation (- € 0.7 billion) had a significant effect on the loan-to-value ratio.

16 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to balance sheet date the global crisis continued to have its impact on global real estate markets. This may have an adverse impact on the fair values of completed investment properties and investment properties under construction.

17 OTHER INFORMATION

This condensed consolidated financial report has not been audited by an external auditor.

Luchthaven Schiphol, March 10, 2009